



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

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FCC PLANS \$9 MILLION FINE AGAINST GPSPS, INC. FOR ILLEGALLY BILLING CUSTOMERS AND SWITCHING THEIR PHONE COMPANIES

Long Distance Carrier Allegedly Relied on Fabricated "Authorization" Recordings to Mislead the Commission and State Regulators

Washington, D.C. – The Federal Communications Commission plans to fine GPSPS, Inc., an Atlanta, GA telephone company, \$9,065,000 for allegedly switching consumers' long distance telephone services without their authorization ("slamming"), billing customers for unauthorized charges ("cramming"), and submitting falsified evidence to government regulatory officials as "proof" that consumers had authorized the company to switch their long distance providers.

"Consumers should not have to wrestle with multi-page phone bills loaded with bogus charges," said Travis LeBlanc, Chief of the Enforcement Bureau. "The FCC will hold companies accountable who prey on consumers by switching their telephone carriers and placing charges on their telephone bills without authorization."

The Enforcement Bureau reviewed over 150 complaints against GPSPS that consumers filed with the Commission, the Federal Trade Commission, the Public Utility Commission of Texas, and the Better Business Bureau. Consumers complained that GPSPS switched their long distance service provider without their authorization even though they had never heard of or spoken to the company before discovering GPSPS's charges on their telephone bills. In many cases, GPSPS refused to refund all of the unauthorized fees it allegedly charged consumers. Instead, the company apparently misrepresented to consumers that they or someone in their household had authorized GPSPS's service, and that GPSPS possessed an audio recording evidencing the authorization. The audio "verification" recordings GPSPS mentioned to consumers were fake. Although GPSPS submitted these fabricated recordings to the Commission and state regulatory authorities as "proof" that the consumers authorized its service, consumers who listened to the recordings informed the Enforcement Bureau that the recordings were fabricated and adamantly denied that the voices on the recordings were their own.

The Commission charged GPSPS with willfully and repeatedly placing unauthorized charges on consumers' local telephone bills, switching consumers' preferred long distance carrier without verified authorization, and submitting fabricated audio "verification" recordings in an effort to

mislead the Commission, all in apparent violation of the Communications Act and Commission rules.

With today's action, the Commission has now taken nearly 30 enforcement actions for cramming or slamming in the past five years. These actions have announced more than \$90 million in penalties, and are slated to return more than \$200 million to consumers.

For more information about the FCC's rules protecting consumers from unauthorized charges on phone bills, see the FCC consumer guide, Cramming – Unauthorized, Misleading, or Deceptive Charges Placed on Your Telephone Bill. For information about other communications issues, visit the FCC's Consumer website, or contact the FCC's Consumer Center by calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; faxing 1-866-418-0232; or by writing to:

Federal Communications Commission
Consumer and Governmental Affairs Bureau
Consumer Inquiries and Complaints Division
445 12th Street, SW
Washington, DC 20554

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